

~~CONFIDENTIAL~~CLASSIFICATION ~~SECRET/CONTROL - U. S. OFFICIALS ONLY~~ 25X1A

CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

## INFORMATION REPORT

CD NO.

COUNTRY China

DATE DISTR. 6 April 1951

SUBJECT KAN Chieh-hou's Opinion of HSU Chung-chih and  
CHANG Fa-kuei

NO. OF PAGES 2

25X1A

FOR CRITICAL SECURITY REASONS  
THIS REPORT IS NOT TO BE FURTHER  
TRANSMITTED WITHIN THE UNITED  
STATES, OR BEYOND THE BORDERS  
OF THE UNITED STATES, WITHOUT  
THE EXPRESS PERMISSION OF THE

NO. OF ENCLS.  
(LISTED BELOW)SUPPLEMENT TO  
REPORT NO.

25X1X

The following memorandum is in KAN Chieh-hou's own words. It was received by source in a letter from KAN, who is presently in the U.S. KAN Chieh-hou was formerly Vice-Minister of Foreign Affairs of the Nationalist government. He escaped from the Japanese during World War II, but was never given an important post in the Nationalist Government thereafter. He was a close friend and neighbor of Gen. CHANG Fa-kuei in Kuelin during the War. In 1943 he became an adviser and translator for LI Tsung-jen. He managed LI's successful campaign for the vice-presidency in 1948, and later followed LI to the United States, where he continues to serve as LI's political adviser.

"Those who seek to bear the banner of emancipation to the mainland of China in the historical struggle with the communists are at least expected to exhibit such qualities as have enabled the Communists to secure domination of China, and at the same time to reveal the absence of such characteristics as have made them dreaded by the Chinese people. That is to say they must possess the attributes of honesty, efficiency and the power of organization and must have a political and economic program that assures the people of all essential freedoms and relieves them from extortion, terrorism and classrule, to which the Chinese people have been unfortunate victims.

"The future leaders of the Chinese people must, therefore, have a clean record, enjoy the absolute confidence of the multitudes and be endowed with determination and perseverance of fighting for their principles. The bulk of these leaders would naturally come from the younger generation.

"Such being the order of things one can imagine the surprise that greets the news from Hong Kong that Hsu Chung-chih has declared his intention of organizing the so-called third force and has sent agents to many quarters for propaganda. He is today over seventy years old and up to now he has been out of contact with realities and current trends. In disposition he is dogmatic, in temperament he is whimsical, with flights of imagination which often border on the fantastic, — these peculiarities of character were once responsible for an amazing incident in which Chiang Kai-shek by a single master stroke of intrigue took over all his troops and put him on board a boat for Hong Kong. A most powerful man found himself one morning a virtual captive, deprived of all his powers.

~~CONFIDENTIAL~~CLASSIFICATION ~~SECRET/CONTROL - U. S. OFFICIALS ONLY~~

STATE	NAVY	NSRB	DISTRIBUTION
ARMY	AIR	FBI	

Document No.

010

No Change In Class. ☐☐ DeclassifiedClass. Changed To: TS S <sup>6</sup>

Date: 3/27/78

By: 029

~~SECRET/CONTROL - U. S. OFFICIALS ONLY~~

25X1A

SECRET INTELLIGENCE AGENCY

- 2 -

"Fifteen years of leisure and idleness followed this man until 1941, when the Japanese conquerors of Hong Kong sought him out as a Quisling to organize the puppet Southwest Political Council to rule that part of China for the Mikado. Hsu tried to put on the Council men of some repute from the southwestern provinces. He opened up an office in the Hong Kong and Shanghai Bank building, which then housed the headquarters of the Japanese Governor for Hong Kong. As no man of repute was willing to join his infamous Council, the project was shelved. However, as a reward for his strenuous effort, the Japanese Governor bestowed upon him part of an opium monopoly in Hong Kong. This inglorious record is known to the people both in Hong Kong and Canton. That this man should lead a patriotic and liberal movement for the emancipation of China is to people with humor, a joke, to serious minds, an insult. It is generally believed that the funds he dispenses here and there for lobbying and for other activities come from the coffers of Chiang Kai-shek, who seeks to exploit whatever he may organize by absorbing it later into his orbit in order to create the illusion that the third force, instead of being a rival, is for him.

"Hsu Chung-chih, realizing his own not too enviable record, tries to make capital out of a better man, General Chang Fa-kuei, who enjoys a certain amount of prestige in the province of Kwangtung. According to reliable information to hand, Hsu Chung-chih has tried his best to persuade Chang Fa-kuei to join forces with him. This Chang has refused. However, he has not openly revealed his disapproval of the group Hsu has assembled, which includes two prominent C. C. elements, a number of retired and dejected military men as well as discredited politicians. Hsu is able on this score to propagandize the impression that General Chang Fa-kuei is with him. In order to exploit the situation further Hsu's agents have asserted that Chang Fa-kuei is equal to the task of leading the guerrillas not only in Kwangtung but also in other provinces as well. As a matter of fact this is not true.

"In the past three decades only two men, General Li Chi-shen and General CH'EN Chi-t'ang, were able to unify Kwangtung on their own strength. Kwangtung province is the most difficult to rule because of the existence of numerous military leaders of equal rank and the independent temperament of the people. Chang Fa-kuei has never ruled Kwangtung province. His leadership for the guerrilla forces in the province will naturally be challenged by General CH'EN Chi-t'ang, by General YU Han-mou, who was the chief military commander in that province during and after the war with Japan, and by General HSUEH Yueh, who was civil governor of Kwangtung after the war.

"We believe that General Chang Fa-kuei is the most suitable man to be given the command of the guerrilla forces in Kwangtung province, because he has a better record and more determination than other candidates. But, to enable him to secure actual command of the guerrillas in the face of the challenge, it is necessary that two conditions be fulfilled: first, to give him such a commission by the over-all anti-Communist organization, thus to strengthen his position over the others; second, to equip him with material supplies or moral encouragement for the guerrillas."

25X1A

Presumably KAN and LI Tsung-jen.

~~CONFIDENTIAL~~~~SECRET/CONTROL - U. S. OFFICIALS ONLY~~